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Mexico

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Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products

Report Categories:

Agriculture in the Economy

Agriculture in the News

Country/Regional FTA's

Policy and Program Announcements

Trade Policy Monitoring

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Report Highlights:

On October 21, 2011, the Secretariat of Economy (SE) published in the Diario Oficial (Federal Register) an [announcement](#) revoking the retaliatory import tariffs on 99 U.S. agricultural and industrial products. This elimination of tariffs was the second step in the cancelation of tariffs after signing a [bilateral memorandum of understanding](#) on July 6, 2011. The value of goods affected in the first seven months of 2011 exceeds \$787 million and the value of these goods in 2010 was in excess of \$1.5 billion.

General Information:

Introduction: This report summarizes an announcement that modifies the General Import and Export Tax Law of the Secretariat of Economy published in Mexico's Diario Oficial (Federal Register) on October 21, 2011.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

General Information: SE published on October 21, 2011, in the Diario Oficial an [announcement](#) revoking the retaliatory import tariffs on 99 U.S. agricultural and industrial products that was originally imposed on March 18, 2009 (see [MX9010](#)) when the U.S.-Mexico Cross-Border Trucking Demonstration Project was terminated. Tariff and lists of products were modified two more times, August 18, 2010 (see [MX0054](#)), and July 7, 2011 (see [MX1055](#)). Table 1, below, includes the value of these food and agricultural commodities assessed a tariff during the period of January to July 2011 (based on official Mexican data) as well as the new tariff. The tariff reduction follows the United States action on October 14, 2011, granting authorization to a Mexican carrier to operate cross-border long distance transport services.

Table 1. 2011 Mexico: Trucking Retaliation List Imports From The United States U.S. Dollars				
HTS Code	Description	Jan/July 2011	Previous 2011 Tariff	New 2011 Tariff
0203.12.01	Swine meat, fresh, chilled or frozen. Fresh or Chilled: Hams, Shoulders and Cuts Thereof, with Bone In.	270,107,207	2.5 %	0%
0203.22.01	Swine meat, fresh, chilled or frozen. Frozen: Hams, shoulders and Cuts Thereof, with Bone In.	2,823,384	2.5%	0%
0406.10.01	Fresh (Unripened or Uncured) Cheese, Including Whey and Curd.	9,531,096	12.5%	0%
0406.30.99	Processed Cheese Not Grated or Powdered. Other.	638,427	12.5%	0%
0406.90.04	Cheese and Curd. Other cheese. Hard or semi-hard. Parmegiano-Reggiano or Grana, Containing Not More than 40% Fat by Weight, Containing Not More than 47% by Weight of Water in Non-Fat Solids; Danbo Edam, Fontal, Fontina, Fynbo, Gouda, Havarti, Maribo, Samsoe, Esrom, Italian, Kernhem, Saint-Nectaire, Saint-Paulin and Taleggio, Containing Not More than 40% Fat by Weight, with a Content of Water by Weight in Non-Fat Solids of No Less than 47% but Not Exceeding 72%.	770,333	10%	0%
0406.90.99	Cheese and Curd. Other Cheese.	39,633,515	12.5%	0%
0604.91.02	Christmas Trees.	600	10%	0%
0703.10.01	Onions.	2,870,911	5%	0%
0705.11.01	Cabbage/Lettuce.	2,273,003	5%	0%
0710.40.01	Sweet Corn. Vegetables, Whether Cooked by Steaming or Frozen.	3,642,769	7.5%	0%

0802.12.01	Almonds, Shelled.	8,658,795	10%	0%
0802.50.01	Pistachios, Fresh.	1,915,237	10%	0%
0802.50.99	Pistachios, Other.	226,089	10%	0%
0804.10.01	Dates, Fresh.	26,100	10%	0%
0804.10.99	Dates, Other.	532	10%	0%
0805.10.01	Oranges.	2,367,013	10%	0%
0805.40.01	Grapefruit.	194,166	10%	0%
0806.10.01	Grapes, Fresh.	191,082	10%	0%
0808.10.01	Apples, Fresh.	127,026,883	10%	0%
0808.20.01	Pears.	29,901,179	10%	0%
0809.10.01	Apricots, Fresh.	870,238	10%	0%
0809.20.01	Cherries, Fresh.	1,685,479	10%	0%
0810.10.01	Strawberries, Fresh.	6,099,937	10%	0%
0813.30.01	Apples, Dried.	897,614	10%	0%
0813.50.01	Mixtures of Nuts or Dried Fruits of this Chapter.	2,916,888	10%	0%
1104.12.01	Oats, Rolled or Flaked.	3,557,978	5%	0%
1602.49.01	Swine Skin Cooked in Pellets.	7,251,057	10%	0%
1704.10.01	Chewing Gum, whether or not Sugar-Coated.	2,043,425	10%	0%
1806.31.01	Chocolate and Other Preparations with Fillings Containing Cocoa.	6,746,671	10%	0%
1806.32.01	Chocolate and Other Preparations Containing Cocoa. Without Filling.	2,352,512	10%	0%
1902.19.99	Pasta, Uncooked, Not Stuffed Etc., NESOI, Other	4,457,397	5%	0%
2004.10.01	Potatoes, Prepared, etc., No Vinegar, etc. Frozen	24,613,731	2.5%	0%
2005.40.01	Peas, Prepared or Preserved Other than by Vinegar, Acetic Acid or Sugar. Not Frozen.	125,332	10%	0%
2008.11.99	Peanuts, Prepared or Preserved, Other.	2,300,650	10%	0%
2008.19.01	Prepared Nuts, Almonds.	2,389,849	10%	0%
2008.19.99	Prepared Nuts, Other.	19,465,410	10%	0%
2008.60.01	Cherries, Prepared or Preserved.	1,648,180	10%	0%
2009.80.01	Juice of a Single Vegetable/Fruit. Unfermented, Only Vegetable Juices, Not Containing Added Alcohol.	5,164,387	10%	0%
2009.90.01	Juice, Mixture, Unfermented, Only Vegetable.	164,930	10%	0%
2009.90.99	Juice, Mixture, Unfermented, Fruit and Vegetable.	3,032,569	10%	0%
2103.10.01	Soy Sauce.	3,147,298	10%	0%
2103.20.01	Tomato Ketchup.	6,074,350	10%	0%
2103.90.99	Condiments and Seasonings, Mixed Only.	51,936,293	10%	0%
2104.10.01	Soups and Broths.	84,387,638	5%	0%
2106.90.06	Juice Concentrate from A Single Fruit, Legumes, or Vegetable.	86,603	7.5%	0%
2106.90.07	Juice Concentrate, Mixed from Fruit, Legumes, or Vegetable.	328,297	7.5%	0%
2106.90.08	Prepared Food, Containing Milk Solids Exceeding 10% by Weight.	9,044,320	7.5%	0%
2201.10.01	Mineral Water.	1,994,486	10%	0%
2204.10.99	Sparkling Wine of Fresh Grapes, Other.	293,742	10%	0%
2204.21.02	Wine, Red, Pink, Claret, or, White.	2,382,458	10%	0%
2206.00.99	Other Fermented Beverages.	2,943,355	10%	0%
2306.30.01	Oilcake from Sunflower Seeds.	102,661	7.5%	0%
2306.49.99	Rape/Colza Seed Oilcake, Solid Residue, Other.	2,426	7.5%	0%

2309.10.01	Pet Food, Dog or Cat	23,858,331	5%	0%
TOTAL		\$787,164,813		

Source: SAGARPA/SIAP, Secretariat of Agriculture, Rural Development, Fisheries and Food. Agro-Food and Fisheries Information Service.

Title: Decree abrogating the diverse by amending Article 1 that establishes the Applicable Rate for 2003, of the General Import Tax, for goods originating in North America, published on December 31, 2002, with respect to goods originating from the United States of America.

Important Dates

1. Publication Date: October 21, 2011

2. Effective Date: October 21, 2011

Background: The Trucking Pilot Program (Mexico Cross-Border Trucking Demonstration Project) was an accommodation made between the United States and Mexico after years of dispute regarding delays to implementing NAFTA-related trucking obligations. The Pilot Program was established in 2007 as a step towards implementation of the NAFTA trucking provision. It allowed up to 100 trucking firms from Mexico to transport international cargo beyond the commercial zones of the U.S.-Mexico border and up to 100 U.S. trucking firms to transport international cargo into Mexico. Bus companies and hazardous material carriers were excluded.

The Trucking Pilot Program began on September 6, 2007, and was originally designed to run for one year. By an exchange of letters between the U.S. and Mexican Transportation Secretaries on August 4, 2008, the Trucking Pilot Program was extended for up to an additional two years to ensure that it could produce sufficient data to evaluate safety. In 2007, Mexico-domiciled motor carriers crossed into the United States approximately 4.8 million times, transporting an estimated \$215 billion of freight.

The Mexican Government modified the General Import and Export Tax Law published on March 18, 2009 due to the dissolution of the U.S.-Mexico Cross-Border Trucking Demonstration Project (see [MX9010](#)). Later, on August 18, 2010, SE published in the *Diario Oficial* an additional announcement in retaliation (see [MX0054](#)) for what was perceived as U.S. inaction. After signing a Memorandum of Understanding on July 6, 2011, SE decreased tariffs, as agreed, by 50 percent (see [MX1055](#)).

For More Information

The U.S. Department of Transportation press release on this action can be seen [here](#). That page contains links to related documents. The U.S. *Federal Register* notice is [here](#).

The SCT press release and related documents can be found [here](#). The Spanish text of the MOU is [here](#). The *Diario Oficial* notice regarding establishment of the program is [here](#), and that regarding reduction of the import tariffs is [here](#).

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Subject	Date Submitted
MX1055	Mexico Reduces Trucking Retaliation Against Ag. Products	7/11/2011

